



1 assembling, refining, mining, extracting, farming, agriculture, horti-  
2 culture, floriculture, viticulture or commercial fishing, (B) industrial  
3 waste treatment facilities or air pollution control facilities, used in  
4 the taxpayer's trade or business, (C) research and development property,  
5 (D) principally used in the ordinary course of the taxpayer's trade or  
6 business as a broker or dealer in connection with the purchase or sale  
7 (which shall include but not be limited to the issuance, entering into,  
8 assumption, offset, assignment, termination, or transfer) of stocks,  
9 bonds or other securities as defined in section four hundred seventy-  
10 five (c)(2) of the Internal Revenue Code, or of commodities as defined  
11 in section four hundred seventy-five (e) of the Internal Revenue Code,  
12 (E) principally used in the ordinary course of the taxpayer's trade or  
13 business of providing investment advisory services for a regulated  
14 investment company as defined in section eight hundred fifty-one of the  
15 Internal Revenue Code, or lending, loan arrangement or loan origination  
16 services to customers in connection with the purchase or sale (which  
17 shall include but not be limited to the issuance, entering into, assump-  
18 tion, offset, assignment, termination, or transfer) of securities as  
19 defined in section four hundred seventy-five (c)(2) of the Internal  
20 Revenue Code, (F) principally used in the ordinary course of the taxpay-  
21 er's business as an exchange registered as a national securities  
22 exchange within the meaning of sections 3(a)(1) and 6(a) of the Securi-  
23 ties Exchange Act of 1934 or a board of trade as defined in [section  
24 1410(a)(1) of the New York Not-for-Profit Corporation Law] SUBPARAGRAPH  
25 ONE OF PARAGRAPH (A) OF SECTION FOURTEEN HUNDRED TEN OF THE NOT-FOR-PRO-  
26 FIT CORPORATION LAW or as an entity that is wholly owned by one or more  
27 such national securities exchanges or boards of trade and that provides  
28 automation or technical services thereto, [or] (G) principally used as a  
29 qualified film production facility including qualified film production  
30 facilities having a situs in an empire zone designated as such pursuant  
31 to article eighteen-B of the general municipal law, where the taxpayer  
32 is providing three or more services to any qualified film production  
33 company using the facility, including such services as a studio lighting  
34 grid, lighting and grip equipment, multi-line phone service, broadband  
35 information technology access, industrial scale electrical capacity,  
36 food services, security services, and heating, ventilation and air  
37 conditioning, OR (H) PRINCIPALLY USED IN THE ORDINARY COURSE OF ANY  
38 TRADE OR BUSINESS OF THE TAXPAYER NOT OTHERWISE DESCRIBED IN CLAUSES (A)  
39 THROUGH (G) OF THIS SUBPARAGRAPH. For purposes of clauses (D), (E) and  
40 (F) of this subparagraph, property purchased by a taxpayer affiliated  
41 with a regulated broker, dealer, registered investment adviser, national  
42 securities exchange or board of trade, is allowed a credit under this  
43 subdivision if the property is used by its affiliated regulated broker,  
44 dealer, registered investment adviser, national securities exchange or  
45 board of trade in accordance with this subdivision. For purposes of  
46 determining if the property is principally used in qualifying uses, the  
47 uses by the taxpayer described in clauses (D) and (E) of this subpara-  
48 graph may be aggregated. In addition, the uses by the taxpayer, its  
49 affiliated regulated broker, dealer, and registered investment adviser  
50 under either or both of those clauses may be aggregated. Provided,  
51 however, a taxpayer shall not be allowed the credit provided by clauses  
52 (D), (E) and (F) of this subparagraph unless (I) eighty percent or more  
53 of the employees performing the administrative and support functions  
54 resulting from or related to the qualifying uses of such equipment are  
55 located in this state or (II) the average number of employees that  
56 perform the administrative and support functions resulting from or

1 related to the qualifying uses of such equipment and are located in this  
2 state during the taxable year for which the credit is claimed is equal  
3 to or greater than ninety-five percent of the average number of employ-  
4 ees that perform these functions and are located in this state during  
5 the thirty-six months immediately preceding the year for which the cred-  
6 it is claimed, or (III) the number of employees located in this state  
7 during the taxable year for which the credit is claimed is equal to or  
8 greater than ninety percent of the number of employees located in this  
9 state on December thirty-first, nineteen hundred ninety-eight or, if the  
10 taxpayer was not a calendar year taxpayer in nineteen hundred ninety-  
11 eight, the last day of its first taxable year ending after December  
12 thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes  
13 subject to tax in this state after the taxable year beginning in nine-  
14 teen hundred ninety-eight, then the taxpayer is not required to satisfy  
15 the employment test provided in the preceding sentence of this subpara-  
16 graph for its first taxable year. For purposes of clause (III) of this  
17 subparagraph the employment test will be based on the number of employ-  
18 ees located in this state on the last day of the first taxable year the  
19 taxpayer is subject to tax in this state. If the uses of the property  
20 must be aggregated to determine whether the property is principally used  
21 in qualifying uses, then either each affiliate using the property must  
22 satisfy this employment test or this employment test must be satisfied  
23 through the aggregation of the employees of the taxpayer, its affiliated  
24 regulated broker, dealer, and registered investment adviser using the  
25 property. For purposes of this subdivision, the term "goods" shall not  
26 include electricity.

27 S 2. Subparagraph (A) of paragraph 2 of subsection (a) of section 606  
28 of the tax law, as amended by chapter 637 of the laws of 2008, is  
29 amended to read as follows:

30 (A) A credit shall be allowed under this subsection with respect to  
31 tangible personal property and other tangible property, including build-  
32 ings and structural components of buildings, which are: depreciable  
33 pursuant to section one hundred sixty-seven of the internal revenue  
34 code, have a useful life of four years or more, are acquired by purchase  
35 as defined in section one hundred seventy-nine (d) of the internal  
36 revenue code, have a situs in this state and are (i) principally used by  
37 the taxpayer in the production of goods by manufacturing, processing,  
38 assembling, refining, mining, extracting, farming, agriculture, horti-  
39 culture, floriculture, viticulture or commercial fishing, (ii) indus-  
40 trial waste treatment facilities or air pollution control facilities,  
41 used in the taxpayer's trade or business, (iii) research and development  
42 property, (iv) principally used in the ordinary course of the taxpayer's  
43 trade or business as a broker or dealer in connection with the purchase  
44 or sale (which shall include but not be limited to the issuance, enter-  
45 ing into, assumption, offset, assignment, termination, or transfer) of  
46 stocks, bonds or other securities as defined in section four hundred  
47 seventy-five (c)(2) of the Internal Revenue Code, or of commodities as  
48 defined in section 475(e) of the Internal Revenue Code, (v) principally  
49 used in the ordinary course of the taxpayer's trade or business of  
50 providing investment advisory services for a regulated investment compa-  
51 ny as defined in section eight hundred fifty-one of the Internal Revenue  
52 Code, or lending, loan arrangement or loan origination services to  
53 customers in connection with the purchase or sale (which shall include  
54 but not be limited to the issuance, entering into, assumption, offset,  
55 assignment, termination, or transfer) of securities as defined in  
56 section four hundred seventy-five (c)(2) of the Internal Revenue Code,

1 [or] (vi) principally used as a qualified film production facility  
2 including qualified film production facilities having a situs in an  
3 empire zone designated as such pursuant to article eighteen-B of the  
4 general municipal law, where the taxpayer is providing three or more  
5 services to any qualified film production company using the facility,  
6 including such services as a studio lighting grid, lighting and grip  
7 equipment, multi-line phone service, broadband information technology  
8 access, industrial scale electrical capacity, food services, security  
9 services, and heating, ventilation and air conditioning, OR (VII) PRIN-  
10 CIPALLY USED IN THE ORDINARY COURSE OF ANY TRADE OR BUSINESS OF THE  
11 TAXPAYER NOT OTHERWISE DESCRIBED IN CLAUSES (I) THROUGH (VI) OF THIS  
12 SUBPARAGRAPH. For purposes of clauses (iv) and (v) of this subpara-  
13 graph, property purchased by a taxpayer affiliated with a regulated  
14 broker, dealer, or registered investment adviser is allowed a credit  
15 under this subsection if the property is used by its affiliated regu-  
16 lated broker, dealer or registered investment adviser in accordance with  
17 this subsection. For purposes of determining if the property is princi-  
18 pally used in qualifying uses, the uses by the taxpayer described in  
19 clauses (iv) and (v) of this subparagraph may be aggregated. In addi-  
20 tion, the uses by the taxpayer, its affiliated regulated broker, dealer  
21 and registered investment adviser under either or both of those clauses  
22 may be aggregated. Provided, however, a taxpayer shall not be allowed  
23 the credit provided by clauses (iv) and (v) of this subparagraph unless  
24 (I) eighty percent or more of the employees performing the administra-  
25 tive and support functions resulting from or related to the qualifying  
26 uses of such equipment are located in this state, or (II) the average  
27 number of employees that perform the administrative and support func-  
28 tions resulting from or related to the qualifying uses of such equipment  
29 and are located in this state during the taxable year for which the  
30 credit is claimed is equal to or greater than ninety-five percent of the  
31 average number of employees that perform these functions and are located  
32 in this state during the thirty-six months immediately preceding the  
33 year for which the credit is claimed, or (III) the number of employees  
34 located in this state during the taxable year for which the credit is  
35 claimed is equal to or greater than ninety percent of the number of  
36 employees located in this state on December thirty-first, nineteen  
37 hundred ninety-eight or, if the taxpayer was not a calendar year taxpay-  
38 er in nineteen hundred ninety-eight, the last day of its first taxable  
39 year ending after December thirty-first, nineteen hundred ninety-eight.  
40 If the taxpayer becomes subject to tax in this state after the taxable  
41 year beginning in nineteen hundred ninety-eight, then the taxpayer is  
42 not required to satisfy the employment test provided in the preceding  
43 sentence of this subparagraph for its first taxable year. For the  
44 purposes of clause (III) of this subparagraph the employment test will  
45 be based on the number of employees located in this state on the last  
46 day of the first taxable year the taxpayer is subject to tax in this  
47 state. If the uses of the property must be aggregated to determine  
48 whether the property is principally used in qualifying uses, then either  
49 each affiliate using the property must satisfy this employment test or  
50 this employment test must be satisfied through the aggregation of the  
51 employees of the taxpayer, its affiliated regulated broker, dealer, and  
52 registered investment adviser using the property. For purposes of this  
53 subsection, the term "goods" shall not include electricity.

54 S 3. This act shall take effect immediately and apply to taxable years  
55 ending on or after January 1, 2013.

1

## PART B

2 Section 1. Paragraph (a) of subdivision 12-G of section 210 of the tax  
3 law, as amended by section 1-a of part A of chapter 63 of the laws of  
4 2005, is amended to read as follows:

5 (a) A taxpayer that is a qualified emerging technology company pursu-  
6 ant to the provisions of section thirty-one hundred two-e [(and specif-  
7 ically for the activities referenced in paragraph (b) of subdivision one  
8 of such section thirty-one hundred two-e)] of the public authorities  
9 law, and that meets the eligibility requirements in paragraph (b) of  
10 this subdivision, shall be allowed a credit against the tax imposed by  
11 this article. The amount of credit shall be equal to the sum of the  
12 amounts specified in paragraphs (c), (d), and (e) of this subdivision  
13 subject to the limitations in paragraph (f) of this subdivision.

14 S 2. Paragraph (h) of subdivision 12-G of section 210 of the tax law,  
15 as amended by section 1-a of part A of chapter 63 of the laws of 2005,  
16 is amended to read as follows:

17 (h) The credit allowed under this subdivision shall not be applicable  
18 for taxable years beginning on or after January first, two thousand  
19 [twelve] FIFTEEN.

20 S 3. Paragraph 1 of subsection (nn) of section 606 of the tax law, as  
21 amended by section 1-a of part A of chapter 63 of the laws of 2005, is  
22 amended to read as follows:

23 (1) A taxpayer that is a qualified emerging technology company pursu-  
24 ant to the provisions of section thirty-one hundred two-e [(and specif-  
25 ically for the activities referenced in paragraph (b) of subdivision one  
26 of such section thirty-one hundred two-e)] of the public authorities  
27 law, and that meets the eligibility requirements in paragraph two of  
28 this subsection, shall be allowed a credit against the tax imposed by  
29 this article. The amount of credit shall be equal to the sum (or pro  
30 rata share of the sum in the case of a partnership) of the amounts spec-  
31 ified in paragraphs three, four, and five of this subsection, subject to  
32 the limitations in paragraph six of this subsection.

33 S 4. Paragraph 8 of subsection (nn) of section 606 of the tax law, as  
34 amended by section 1-a of part A of chapter 63 of the laws of 2005, is  
35 amended to read as follows:

36 (8) The credit allowed under this subsection shall not be applicable  
37 for taxable years beginning on or after January first, two thousand  
38 [twelve] FIFTEEN.

39 S 5. This act shall take effect immediately, provided, however, that  
40 sections one and three of this act shall apply to tax years beginning on  
41 or after January 1, 2006.

42

## PART C

43 Section 1. The general municipal law is amended by adding a new  
44 section 959-c to read as follows:

45 S 959-C. CERTIFIED STARTUP BUSINESS ENTERPRISE. (A) CERTIFICATION. (I)  
46 THE COMMISSIONER SHALL APPROVE APPLICATIONS FOR QUALIFICATION OF A BUSI-  
47 NESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE. AS A CONDI-  
48 TION FOR APPROVAL OF SUCH APPLICATION, THE COMMISSIONER IS AUTHORIZED TO  
49 SPECIFY CERTAIN REQUIREMENTS TO BE SATISFIED AS A CONDITION FOR APPROVAL  
50 OF A BUSINESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE AS  
51 THE COMMISSIONER DEEMS NECESSARY TO ENSURE THE QUALIFYING ANGEL INVEST-  
52 MENT WILL MAKE A SUBSTANTIAL CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF

1 THIS STATE, INCLUDING THE USE OF A SYSTEM OF EVALUATION OF VARIOUS  
2 APPLICANT BUSINESS ENTERPRISES IN A COMPETITIVE FASHION.

3 (II) WITH RESPECT TO AN APPROVED APPLICATION FOR QUALIFICATION OF A  
4 BUSINESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE, THE  
5 COMMISSIONER SHALL ISSUE TO SUCH BUSINESS ENTERPRISE A CERTIFICATE OF  
6 QUALIFICATION AS A CERTIFIED STARTUP BUSINESS ENTERPRISE SETTING FORTH  
7 THE EFFECTIVE DATE OF THE CERTIFICATION AND THE AMOUNT OF QUALIFYING  
8 ANGEL INVESTMENT AWARDED TO SUCH BUSINESS ENTERPRISE, WHICH AMOUNT SHALL  
9 BE NO LESS THAN ONE HUNDRED THOUSAND DOLLARS AND NO MORE THAN TWO  
10 MILLION DOLLARS.

11 (III) FOR THE PERIOD JULY FIRST, TWO THOUSAND TWELVE THROUGH JUNE  
12 THIRTIETH, TWO THOUSAND THIRTEEN, THE COMMISSIONER MAY CERTIFY UP TO  
13 TWENTY MILLION DOLLARS IN QUALIFYING ANGEL INVESTMENT. FOR THE PERIOD  
14 JULY FIRST, TWO THOUSAND THIRTEEN THROUGH JUNE THIRTIETH, TWO THOUSAND  
15 FOURTEEN, THE COMMISSIONER MAY CERTIFY UP TO TWENTY MILLION DOLLARS IN  
16 QUALIFYING ANGEL INVESTMENT. FOR THE PERIOD JULY FIRST, TWO THOUSAND  
17 FOURTEEN THROUGH JUNE THIRTIETH, TWO THOUSAND FIFTEEN, THE COMMISSIONER  
18 MAY CERTIFY UP TO TWENTY MILLION DOLLARS IN QUALIFYING ANGEL INVESTMENT.

19 (B) DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL  
20 HAVE THE FOLLOWING MEANINGS:

21 (I) "CERTIFIED STARTUP BUSINESS ENTERPRISE" SHALL MEAN A BUSINESS  
22 ENTERPRISE LOCATED IN NEW YORK STATE:

23 (1) WITH LESS THAN FIVE MILLION DOLLARS IN ANNUAL REVENUES;

24 (2) WHOSE PRIMARY ACTIVITY CONSISTS OF A QUALIFYING TECHNOLOGY OR  
25 INNOVATION ACTIVITY; AND

26 (3) THAT HAS BEEN CERTIFIED AS A CERTIFIED STARTUP BUSINESS ENTERPRISE  
27 BY THE COMMISSIONER.

28 (II) "QUALIFYING TECHNOLOGY OR INNOVATION ACTIVITY" SHALL MEAN:

29 (1) BIOTECHNOLOGIES, WHICH SHALL BE DEFINED AS TECHNOLOGIES INVOLVING  
30 THE SCIENTIFIC MANIPULATION OF LIVING ORGANISMS, ESPECIALLY AT THE  
31 MOLECULAR AND/OR THE SUB-MOLECULAR GENETIC LEVEL, TO PRODUCE PRODUCTS  
32 CONDUCIVE TO IMPROVING THE LIVES AND HEALTH OF PLANTS, ANIMALS, AND  
33 HUMANS; AND THE ASSOCIATED SCIENTIFIC RESEARCH, PHARMACOLOGICAL, MECHAN-  
34 ICAL, AND COMPUTATIONAL APPLICATIONS AND SERVICES CONNECTED WITH THESE  
35 IMPROVEMENTS;

36 (2) INFORMATION AND COMMUNICATION TECHNOLOGIES, EQUIPMENT AND SYSTEMS  
37 THAT INVOLVE ADVANCED COMPUTER SOFTWARE AND HARDWARE, VISUALIZATION  
38 TECHNOLOGIES, AND HUMAN INTERFACE TECHNOLOGIES;

39 (3) ADVANCED MATERIALS AND PROCESSING TECHNOLOGIES THAT INVOLVE THE  
40 DEVELOPMENT, MODIFICATION, OR IMPROVEMENT OF ONE OR MORE MATERIALS OR  
41 METHODS TO PRODUCE DEVICES AND STRUCTURES WITH IMPROVED PERFORMANCE  
42 CHARACTERISTICS OR SPECIAL FUNCTIONAL ATTRIBUTES, OR TO ACTIVATE, SPEED  
43 UP, OR OTHERWISE ALTER CHEMICAL, BIOCHEMICAL, OR MEDICAL PROCESSES;

44 (4) ELECTRONIC AND PHOTONIC DEVICES AND COMPONENTS FOR USE IN PRODUC-  
45 ING ELECTRONIC, OPTOELECTRONIC, MECHANICAL EQUIPMENT AND PRODUCTS OF  
46 ELECTRONIC DISTRIBUTION WITH INTERACTIVE MEDIA CONTENT;

47 (5) ENERGY EFFICIENCY, RENEWABLE ENERGY AND ENVIRONMENTAL TECHNOLO-  
48 GIES, PRODUCTS, DEVICES AND SERVICES;

49 (6) SMALL SCALE SYSTEMS INTEGRATION AND PACKAGING; OR

50 (7) MANUFACTURING;

51 (III) "QUALIFYING ANGEL INVESTMENT" SHALL MEAN A CONTRIBUTION TO THE  
52 CAPITAL OF A CERTIFIED STARTUP BUSINESS ENTERPRISE, PROVIDED THAT SUCH  
53 CONTRIBUTION TO CAPITAL IS MADE WITHIN TWELVE MONTHS AFTER THE EFFECTIVE  
54 DATE OF THE CERTIFIED TECHNOLOGY VENTURE'S CERTIFICATE OF QUALIFICATION  
55 AS A CERTIFIED TECHNOLOGY VENTURE AND SUCH CONTRIBUTION IS APPLIED BY  
56 THE CERTIFIED STARTUP BUSINESS ENTERPRISE AGAINST ITS ALLOCATION OF

1 QUALIFYING ANGEL INVESTMENT. TOGETHER WITH ALL OTHER QUALIFYING ANGEL  
2 INVESTMENTS MADE TO A SINGLE CERTIFIED STARTUP BUSINESS ENTERPRISE, THE  
3 TOTAL QUALIFYING ANGEL INVESTMENT MAY NOT EXCEED TWO MILLION DOLLARS.  
4 NOTHING HEREIN SHALL PROHIBIT A PERSON MAKING A QUALIFYING ANGEL INVEST-  
5 MENT FROM MAKING ADDITIONAL CONTRIBUTIONS TO THE CAPITAL OF THE CERTI-  
6 FIED STARTUP BUSINESS ENTERPRISE OR MAKING LOANS TO OR OTHER INVESTMENTS  
7 IN THE CERTIFIED STARTUP BUSINESS ENTERPRISE, PROVIDED, HOWEVER, THAT  
8 SUCH OTHER CONTRIBUTIONS, LOANS AND INVESTMENTS SHALL NOT BE TREATED AS  
9 QUALIFYING ANGEL INVESTMENTS.

10 S 2. Section 210 of the tax law is amended by adding a new subdivision  
11 12-H to read as follows:

12 12-H. ANGEL TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS  
13 MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH  
14 (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE  
15 GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO FIFTY PERCENT  
16 OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

17 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION  
18 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS  
19 THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF  
20 SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT  
21 ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO  
22 SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE  
23 YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR  
24 REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION TEN HUNDRED EIGHT-  
25 Y-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION  
26 (C) OF SECTION TEN HUNDRED EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING,  
27 NO INTEREST SHALL BE PAID THEREON.

28 S 3. Section 606 of the tax law is amended by adding a new subsection  
29 (uu) to read as follows:

30 (UU) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS  
31 MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH  
32 (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE  
33 GENERAL MUNICIPAL LAW, OR THAT IS A MEMBER OF A PARTNERSHIP THAT HAS  
34 MADE A QUALIFYING ANGEL INVESTMENT, SHALL BE ALLOWED A CREDIT EQUAL TO  
35 FIFTY PERCENT OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT OR, IN  
36 THE CASE OF A TAXPAYER WHO IS A MEMBER OF A PARTNERSHIP THAT HAS MADE A  
37 QUALIFYING ANGEL INVESTMENT, A PORTION OF SUCH QUALIFYING ANGEL INVEST-  
38 MENT EQUAL TO THE PORTION OF ITEMS OF INCOME, GAIN, LOSS AND DEDUCTION  
39 ASSOCIATED WITH THE QUALIFYING ANGEL INVESTMENT PROPERLY ALLOCABLE TO  
40 SUCH TAXPAYER UNDER SECTION 704 OF THE INTERNAL REVENUE CODE FOR THE  
41 TAXABLE YEAR.

42 (2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER  
43 THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR  
44 SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE  
45 CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX  
46 HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST  
47 SHALL BE PAID THEREON.

48 S 4. Section 1456 of the tax law is amended by adding a new subsection  
49 (z) to read as follows:

50 (Z) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS  
51 MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH  
52 (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE  
53 GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO FIFTY PERCENT  
54 OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

55 (2) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBSECTION  
56 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS

1 THAN THE MINIMUM TAX FIXED BY SUBSECTION (B) OF SECTION FOURTEEN HUNDRED  
2 FIFTY-FIVE OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED  
3 UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH  
4 AMOUNT, THEN ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE  
5 YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR  
6 REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION TEN HUNDRED EIGHT-  
7 Y-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION  
8 (C) OF SECTION TEN HUNDRED EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING,  
9 NO INTEREST SHALL BE PAID THEREON.

10 S 5. Section 1511 of the tax law is amended by adding a new subdivi-  
11 sion (cc) to read as follows:

12 (CC) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS  
13 MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH  
14 (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE  
15 GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO FIFTY PERCENT  
16 OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

17 (2) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION  
18 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS  
19 THAN THE MINIMUM TAX FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF  
20 SECTION FIFTEEN HUNDRED TWO OF THIS ARTICLE OR BY SECTION FIFTEEN  
21 HUNDRED TWO-A OF THIS ARTICLE, WHICHEVER IS APPLICABLE. HOWEVER, IF THE  
22 AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR  
23 REDUCES THE TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT THUS NOT  
24 DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF  
25 TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF  
26 SECTION TEN HUNDRED EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE  
27 PROVISIONS OF SUBSECTION (C) OF SECTION TEN HUNDRED EIGHTY-EIGHT OF THIS  
28 CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

29 S 6. This act shall take effect immediately.

30 S 2. Severability. If any clause, sentence, paragraph, section or part  
31 of this act shall be adjudged by any court of competent jurisdiction to  
32 be invalid and after exhaustion of all further judicial review, the  
33 judgment shall not affect, impair, or invalidate the remainder thereof,  
34 but shall be confined in its operation to the clause, sentence, para-  
35 graph, section or part of this act directly involved in the controversy  
36 in which the judgment shall have been rendered.

37 S 3. This act shall take effect immediately provided, however, that  
38 the applicable effective date of Parts A through C of this act shall be  
39 as specifically set forth in the last section of such Parts.